



Job creation for youth: *Introduction to concept and measurement*

CTA WORKSHOP ON CATALYZING ACTIONABLE KNOWLEDGE TO
FACILITATE NEXT-GENERATION ACP AGRICULTURE THROUGH YOUTH
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Youth employment challenges

- Within the next 15 years, some 375 million young people will become of working age in Africa (over half from rural areas). By 2050, nearly one in three young people will be living in SSA, and most of them simply cannot afford not to work (ILO, 2017).
- Growth in Africa is uneven (only 3 countries will reach the target of 7% by 2020, the rest will be on average 4%) (OECD/AUC, 2018)
- Extreme working poverty (less than US\$1.90 per day) declined slightly between 2007 and 2015, working poverty has increased (i.e. those living on between US\$1.90 and US\$3.10 per day) – driven by trends in SSA (ILO, 2017)
- Structural transformation in Africa is not happening fast enough and not creating enough wage jobs and off-farm jobs that meet the aspirations of youth, including rural youth (OECD, 2017)
- Robotisation may bring big risks for Africa's manufacturing jobs, in particular in sectors exposed to international trade (Hallward-Driemeier, Mary, and Gaurav Nayyar, 2018)
- There are no incentives for rural youth to stay in rural areas and work in agriculture.
- Africa's urbanisation is happening twice as fast as Europe did (110 yrs to reach 40%, 60 yrs for Africa). Rapid urbanisation keeps a large portion of the urban labour trapped in low-productivity informal services activities. Young people migrating to cities in the hopes of better jobs end up in poorly paid and informal jobs.



Youth employment programmes: Active labour market policies (ALMPs)

- **Employment services:** to match job offers with job seekers.
- **Employment subsidies:** to encourage new hires by reducing the cost to employers.
- **Sub-minimum wage for youth:** consists of employing young individuals at wages below the minimum wage. This scheme allows low-productive youth to enter the labour market, while at the same time the wage encourages them to complete their education. Subminimum wages for teenagers are a common strategy across OECD countries to counter the potentially negative impact of the minimum wage on youth employment.
- **Public works programmes:** to reduce unemployment rates, especially among disadvantaged workers, by offering temporary employment, mainly in the public sector, at a prescribed wage. These programmes usually focus on the provision of temporary income support to long-term unemployed individuals. Public works programmes provide work experience and training, but they also play an important role as basic insurance (social protection) for the unemployed.
- **Skills training programmes for youth:** to improve the employability and productivity of young people experiencing difficulties in finding a job (under/unemployed and disadvantaged young workers). Such training is often directed at disadvantaged youth and young workers who are already in the workforce but are under/unemployed.
- **Entrepreneurship programmes:** to equip people with the skills needed to establish and manage profitable businesses that can become permanent jobs. Support can be in the form of financial assistance (credits, allowances or grants) and/or other technical services, such as skills training, counselling, mentoring, business infrastructure, development of a business plan, etc.



The demand side

- Promote local and regional value chain development in agri-food products and services (food retailing underdeveloped relative to the market size and level of urbanization)
- Link rural and urban development using a territorial approach (development of secondary towns, infrastructure)
- Adopt a comprehensive approach to rural development (FAO's Integrated Country Approach; OECD's new rural paradigm, GI certifications for regional competitiveness)
- Invest in agriculture and rural infrastructure (CAADP)
- Green and diversify rural economies
- Increase market access and opportunities through better regional integration



Employment definitions and measurements

ILO employment definition:

Persons in employment comprise all persons above a specified age (usually 15-64) who during a specified brief (usually one week) were in the following categories (even for one hour):

- paid employment;
- self employment.

Part-time worker is an employed person whose normal hours of work are less than those of comparable full-time workers.

Ref: [Resolution concerning the International Classification of Status in Employment \(ICSE\)](#)

For this reason, official unemployment rates in developing countries are usually very low.



Employment definitions and measurements: job quality

Table 3.4. Youth well-being indicators: employment

Access	Quality	Subjective Indicator
<ul style="list-style-type: none">● Labour market transition stages● Not In education, employment or training (NEET) rate● Labour market transition length	<ul style="list-style-type: none">● Employment status● Informal employment rate● Vulnerable employment rate● Poorly paid● Time-related underemployment rate● Qualifications mismatch	<ul style="list-style-type: none">● Job satisfaction

Vulnerable employment rate: Self-employed + contributing family workers

Table 3.A1.3. Youth employment

Main indicators	Definition	International databases	Raw data sources
NEET rate	Share of youth aged 15-29 not in education, employment or training. NEET Includes inactive and unemployed non-students.	ILO/Understanding Children's Work (UCW) YouthSTATS, ILO YouthSTATS	School-to-work transition survey (SWTS), labour force survey; population census and/or other household surveys with an appropriate employment module
Employment status	Distribution of workers aged 15-29 by employment status: I) employees; II) employers; III) own-account workers; IV) members of producer co-operatives; and V) contributing family workers.	ILO/UCW YouthSTATS, ILO YouthSTATS	SWTS, labour force survey; population census and/or other household surveys with an appropriate employment module
Informal employment rate	Share of workers aged 15-29 who are in informal employment. <u>Informal employment:</u> Jobs in the formal sector, informal sector or households, which lack basic social or legal protections or employment benefits. For operational reasons, the concept is measured as the number of persons employed in informal employment in their main job.	ILO/UCW YouthSTATS	SWTS, labour force survey; population census and/or other household surveys with an appropriate employment module
Secondary indicators	Definition	International databases	Raw data sources
Share of inactive non-students	Share of youth aged 15-29 neither in the labour force nor in education or training (different from NEET in that it captures only economically inactive non-students, i.e. those that are not actively seeking jobs).	ILO/UCW YouthSTATS, ILO YouthSTATS	SWTS, labour force survey; population census and/or other household surveys with an appropriate employment module
Share of unemployed non-students	Share of youth aged 15-29 unemployed and not in education or training (different from NEET in that it captures only unemployed non-students, i.e. those actively seeking jobs).	ILO/UCW YouthSTATS, ILO YouthSTATS	SWTS, labour force survey; population census and/or other household surveys with an appropriate employment module
Vulnerable employment rate	Share of workers aged 15-29 who are either own-account or contributing family workers.	ILO/UCW YouthSTATS, ILO YouthSTATS	SWTS, labour force survey; population census and/or other household surveys with an appropriate employment module
Poorly paid	Share of own-account workers and paid employees aged 15-29 with below-average wages or income.	Available in ILO publications (<i>Global Employment Trends for Youth 2013: A generation at risk</i>)	SWTS, labour force survey with earnings module, establishment survey on employment and earnings
Time-related underemployment rate	Employed youth aged 15-29 who are willing and available to increase their working time and worked fewer hours than a specified time threshold during the reference period (usually 40 hours per week).	ILO/UCW YouthSTATS	SWTS, labour force survey, household survey with an employment module, administrative records
Qualifications mismatch	Skills mismatch between the job that a worker aged 15-29 does and their level of educational qualification, measured by applying the normative measure of occupational skills categories from the International Standard Classification of Occupations. <u>Undereducated/well-matched/overeducated:</u> Young workers in a particular group who have a lower/the assigned/higher level of education.	Available in ILO publications (<i>Global Employment Trends for Youth 2013: A Generation at Risk, Work for Youth (W4Y) project</i>)	SWTS, labour force survey, household survey with an employment module, establishment survey

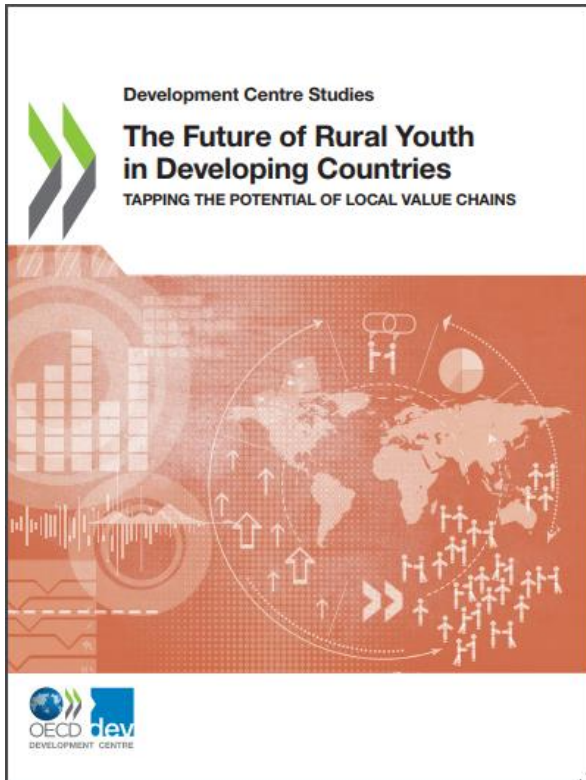


Decent work: Definition and measurement

- Work that is productive and delivers a fair income, security in the workplace and social protection for families, better prospects for personal development and social integration, freedom for people to express their concerns, organize and participate in the decisions that affect their lives and equality of opportunity and treatment for all women and men. (ILO)
- Measurement: more than 60 indicators
- Ref: https://www.ilo.org/wcmstp5/groups/public/---dgreports/---integration/documents/publication/wcms_229374.pdf



<http://oe.cd/1h0> Youth Inclusion Project





Policy priority 1: Promote local value chain development in agri-food products and services

- **Agri-food value chains can have different entry points for youth:**
 - Upstream in supplying feed, seeds and equipment
 - Production: farming, harvesting
 - **Downstream:** storage*, cooling, transporting, processing, packaging, wholesaling and retailing (*40% of staple foods in SSA are lost before reaching the market)
- Macro, meso and micro level actions are required:
 - **Macro: regulatory frameworks (e.g. phytosanitary), national development priorities and trade policies** will support or hinder certain value chains (e.g. chicken); presence of sufficient demand
 - Meso: connection with businesses and actors along the value chain (logistics, transport, sales outlets*, packaging); watching out for buyer-driven supply chain (supermarkets)
 - Micro: youth will need skills training for the different job opportunities along the value chain; youth farmers access to training, equipment and access to capital and land



Policy priority 2: Link rural and urban development using a territorial approach

- **Urbanisation plays a central role in changing the food system:** In Africa, reducing the travel time to the nearest city from 24 to 4 hours increases the ratio of actual to potential crop production by 16 (OECD, 2016).
- Greater agricultural production also develops the rural non-farm sector in countries at a lower stage of post-farm food value chain.
- **In many low income countries (e.g. in West Africa) food retailing remains underdeveloped relative to the market size and level of urbanisation.**
- **Development of secondary towns would offer new markets to small farmers and new job opportunities for youth.**



Policy priority 3: Adopt a comprehensive approach to rural development

- Investments to promote growth sectors in rural areas in line with the **comparative advantage of the territory** and to support access to markets can contribute to the creation of on-farm and off-farm wage employment.
- Several approaches exist:
 - FAO's Integrated Country Approach (ICA) for decent rural employment focuses on capacity development and multiple policy areas (employment, migration, sustainable agriculture, agribusiness development, etc.)
 - OECD's New Rural Development Paradigm (NRDP) emphasizes the need to support sub-national and local authorities and implement rural development strategies that go beyond agriculture and promote off-farm activities.
 - The African Union is promoting **Geographic Indications** (GI) as a development tool that can protect the identity of local and indigenous products (e.g. Penja pepper of Cameroon)



Policy priority 4: Invest in agriculture and rural infrastructure

- Despite growing global demand for food and increased investments in developing countries, negligible amounts went to agricultural production in South Asia and SSA. Most of the FDI flows went into downstream activities in upper middle and high-income countries.
- Even ODA on agriculture and RD declined from 24% in 1980s to 8% in 2013.
- In 2010, only 9 African countries had reached the CAADP target to allocate 10% of their national budget to agriculture.
- Good news is that there is an increase in intra continental investment capital for food, beverages and tobacco, which will help reduce Africa's dependence on extra continental FDI.
- Infrastructure for basic services (roads, internet, markets, energy) in rural areas will need to be significantly improved to keep young people living in rural and small towns.



Policy priority 5: Green and diversify rural economies

- The ecosystems on which rural population relies are increasingly threatened by excessive and unsustainable exploitation.
- Greening the rural economy will be key to boosting resource and labour productivity, reducing poverty, increasing income opportunities and improving youth well-being in rural areas.
- The modernisation of agriculture and the expansion of ICTs, products and services around renewable energies (e.g. solar, biogas) therefore hold employment opportunities for youth, especially rural youth.
- The job creation potential through the production and supply of clean energy systems is significant in rural economies, as the majority of the 1.5 billion people who do not have access to electricity live in rural areas.
- Other **non-farm opportunities, such as ecotourism**, have significant economic and employment potential for rural areas.



Project level: Apply youth-sensitive approaches (1)

- **Targeting and securing youth buy-in**
 - **Rural youth profiling :** Youth are a heterogeneous group. This means profiling them by age groups (e.g. 15-17, 18-24, 25-29), ethnicity (e.g. indigenous groups), disability, gender, education and skills level, social capital, access to land and finance, prevailing social norms, etc. will help identify different bottlenecks for each group.
 - **Selection of high-potential value chain:** Involve young people in identifying a list of potential activities in their village and region which they see themselves capable of doing, and which at the same time represent potential growth sectors.
 - **Awareness campaigns:** The potential of agriculture and value addition is largely underestimated. Young people in rural areas need to be informed about the different activities possible along the value chain if their minds are to be changed about agriculture and related jobs. Campaigns should include information about market requirements, product standards, knowledge, innovative tools and new production methods.



Project level: Apply youth-sensitive approaches (2)

- **Capacity building**

- **Peer-to-peer learning and role models:** The most effective way to convince young people is through other young people. Peer to peer learning has proven effective when providing agricultural extension services, for example. Recently, an increasing number of young people with higher education are starting agri-food businesses. They serve as models for other young people and play an important role in creating and investing in small industries in rural areas, building networks, and generating employment.
- **Mentorship :** Local leaders and other youth farmers can help change the mentality of rural youth through mentoring and coaching. Mentoring can happen through incubator approaches, where young farmers learn how to operate a business, or through regular meetings and interactions.
- **Skills training:** The majority of rural youth are early school dropouts and have low skills. Programmes that provide apprenticeship and on-the-job training opportunities for rural youth can increase their employability. Vocational training programmes must also consider teaching **soft skills** in addition to basic literacy and numeracy skills. Improving entrepreneurship skills, for example, entails training not only in business management but also in negotiation, leadership and team building (**life skills**).



At project level: Apply youth-sensitive approaches (3)

- **Improving rural infrastructure and access to capital**
 - **Financial/physical capital:** Access to land for young people is difficult. Furthermore, financial services are not adapted to the specific needs and constraints of youth (e.g. lack of collateral and financial resources). Activities aimed at helping young people engage in agriculture will need to support their access to land, seed capital and/or materials to get started. Access to land will be a critical decision factor for the youth.
 - **Social capital:** Agriculture is foremost about know-how and linkages with actors along the value chain; young people tend to lack both. Joining farmers' organisations or co-operatives will help youth gain trust and solidarity, as well as make access to quality inputs, services, financing and markets easier.
 - **Modern infrastructure and agricultural practices:** For agriculture to become attractive to young people it has to be more productive and use modern technology. This is not only in the form of mechanisation, such as tractors or improved post-harvest management techniques, but also through the use of ICT to have better access to information, services and markets. Basic infrastructure (electricity, water, road, Internet) will need to be improved for young people if rural livelihoods are to become more attractive to them.